

ARIZONA STATE BOARD OF ACCOUNTANCY

ANNUAL MEETING MINUTES

August 14 & 15, 2008

Members of the Arizona State Board of Accountancy held an annual meeting on Thursday, August 14, 2008 from 9:00 a.m. to 4:00 p.m. and on Friday, August 15, 2008 from 8:34 a.m. to 12:45 p.m. at the Arizona Historical Society, 1300 N. College Avenue, Tempe, Arizona 85281.

BOARD MEMBERS:

Patrick J. Ramirez	President
* Debbi Fitzgerald, CPA	Treasurer
Samuel L. Fogleman, CPA	Secretary
Marianne E. DeVries, CPA	Member
Gary W. Fleming, CPA	Member
James E. May	Member
Vacant	Member

* Arrived at 9:04 a.m. on Thursday, August 14, 2008 and absent on Friday, August 15, 2008

STAFF PRESENT:

Monica L. Petersen.....	Executive Director
Jim Dubé	Deputy Director
Seth T. Hargraves, Esq.	Assistant Attorney General
Daniel L. Christl, Esq	Assistant Attorney General
Ryan P. Edmonson.....	Programs & Projects Specialist II
Yolanda M. Barajas	Administrative Assistant III
* Elena N. Frausto	Administrative Assistant III

* Absent (Friday only)

COMMITTEE MEMBERS:

Andreas D. Coumides, CPA, Chairperson	Accounting & Auditing Standards Committee
Michael P. O'Malley, CPA, Member	Tax Practice Committee
Darlene A. Richardson, CPA, Chairperson	CPE Committee
Nancy Maurer, Chairperson	Certification Advisory Committee
Julie P. Cauich, Member	Peer Review Oversight Advisory Committee
James M. Susa, CPA, Esq., Chairperson	Law Review Advisory Committee

OTHER GUESTS

Richard H. Goldenson, CPA, Chairperson, Arizona Society of Certified Public Accountants
Cindie Hubiak, CPA, President, Arizona Society of Certified Public Accountants
Dr. Craig Mills, Executive Director, Examination, American Institute of Certified Public Accountants
Joe Cote, CPA, Executive Vice President & Chief Operating Officer of CPA Exam Services, NASBA
Patricia Hartman, Director of Examination Operations, NASBA

The meeting was called to order at 9:00 a.m. by Patrick J. Ramirez, Board President. The following order of business was then considered:

CALL TO THE PUBLIC

No one wished to address the Board.

DISCUSSION WITH ARIZONA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS (ASCPA)

The Board met with Richard H. Goldenson, CPA, Chairperson and Cindie Hubiak, President of ASCPA. Mr. Goldenson & Ms. Hubiak discussed with the Board the Society's membership concerns with the Board's modernization; the legislative fund sweep; tax conformity; and public records requests being justified. Mr. Goldenson & Ms. Hubiak requested that the Board place International Financial Reporting Standards (IFRS) and Facilitated State Board Access (FSBA) on a future Board agenda.

Mr. Goldenson indicated that it was the Society's priority to have accounting graduates receive certification, and discussed the profession's concern about the PhD. shortage and its effects on the CPA profession. In addition, Mr. Goldenson discussed the AICPA financial literacy program.

REVIEW AND DISCUSSION ON THE UNIFORM CERTIFIED PUBLIC ACCOUNTANTS EXAMINATION, FEES, TRENDS, PRACTICE ANALYSIS AND RECENT ISSUES

The Board met with Dr. Craig Mills, Executive Director, Examination, American Institute of Certified Public Accountants to discuss the Uniform CPA Examination, including the Board of Examiners, fees, and trends, the CBT test, practice analysis, CBT-evolution, international demand and emerging issues

The Board took a break from 10:59 a.m. to 11:12 a.m.

REVIEW, DISCUSSION AND LEGAL ACTION ON THE ACCOUNTANCY LICENSING DATABASE

The Board met with Joe Cote, CPA, Executive Vice President & Chief Operating Officer of CPA Exam Services, NASBA to discuss NASBA's Accountancy Licensing Database. The Board discussed researching the idea and requested that NASBA review the ALD's security with a nationally recognized firm, review people, processing, and technology

and set-up contractual assurances that information provided by the Board would not be sold for a profit by NASBA. Once those issues are answered, the Board may consider joining NASBA's ALD.

REVIEW AND DISCUSSION ON THE UNIFORM CERTIFIED PUBLIC ACCOUNTANTS EXAMINATION FEES

Patricia Hartman, Director of Examination Operations, NASBA presented statistical data regarding the performance of Arizona candidates on the CPA exam. Ms. Hartman stated Arizona continues to have passing rates higher than the national average. Ms. Hartman also reviewed the testing complaints and issues and how NASBA investigates those issues and responds.

The Board recessed for lunch at 12:10 p.m.

The Board reconvened at 1:24 p.m.

LEGAL ACTION ON CONSENT AGENDA

(The Board may pull any of the following items off the consent agenda to take individual action.) Upon a vote of the majority of a quorum, the Board may go into Executive Session on agenda item 14 pursuant to A.R.S. § 38-431.03(A)(2) to discuss records exempt by law from public inspection, including the receipt and discussion of information or testimony that is specifically required to be maintained as confidential by state or federal law. Board discussion and legal action on the following items:

Due to conflicts, Samuel L. Fogleman requested the following items be pulled from the consent agenda and voted on separately:

- h. Recommendation of the Certification Committee for approval of Certification by Examination - A.R.S. §32-721:
Eric C. Stoltz
- l. Recommendation of the Certification Committee for approval of Examination Candidates for the Uniform CPA Exam - A.R.S. § 32-723:
Juliane Marie Jedick
Nicholas Anthony Skaff, Jr.
- m. Approval of Candidates who have passed the Uniform CPA Examination:
Gregory Peter Goldsand

Due to conflicts, Debbi Fitzgerald requested the following items be pulled from the consent agenda and voted on separately:

- l. Recommendation of the Certification Committee for approval of Examination Candidates for the Uniform CPA Exam - A.R.S. § 32-723:
Monica Alvarez
- m. Approval of Candidates who have passed the Uniform CPA Examination:
Colleen Mary Morrison Belford

Amy Leigh Bond
Adam R. Hoyt
Ian Lewis
Seth Conroy Wilks

Due to conflicts, Gary W. Fleming requested the following items be pulled from the consent agenda and voted on separately:

- h. Recommendation of the Certification Committee for approval of Certification by Examination - A.R.S. §32-721:
Katie L. Jackson
- I. Recommendation of the Certification Committee for approval of Examination Candidates for the Uniform CPA Exam - A.R.S. § 32-723:
Justin Thomas Feiereisel

A motion was made by Samuel L. Fogleman, seconded by Debbi Fitzgerald and passed to approve the following consent agenda items:

- a. Recommended for Registration of Professional Corporation for the following Applicants - (Meet the requirements of A.R.S. § 32-734):

Clifford T. Bengis Professional Services PC	Tomisato PC
Partner: Clifford T. Bengis 4275-E	Partner: Yukon Tomisato 14215-R
- b. Recommended for Registration of LLC/PLLC/LLP's for the following Applicants (Meet the requirements of A.R.S. § 32-735):

Western Forensic Services LLC	J. Alexander Ham CPA PLLC
Partner: Ronald A. Zahn 7742-E	Partner: J. Alexander W. Ham 13103-R
Wendy Spaulding CPA PLC	Aspire Financial LLC
Partner: Wendy L. Spaulding 4061-E	Partner: Ron Marsh 11855-R
- c. Recommended for Firm Name Change:

Glenn Alan CPA PLLC	Jones & Nardi PLLC
Glenn A. Gunsolley CPA PLLC 2686-L	Jones, Nardi & Lemley PLLC 2817-L
Partner: Glenn A. Gunsolley 8896-R	Partners: Mindy N. Jones 9056-E
	John Nardi 12220-E
Schwark & TerHark CPA's PLLC	Nicholson & Preder CPA's PC
Paul M. Schwark CPA PLLC 2762-L	Dianne J. Nicholson CPA PC 2082-C
Partners: Paul M. Schwark 194-E	Partners: Dianne J. Nicholson 5197-E
Douglas TerHark 10176-R	Lori S. Preder 8393-E
- d. Request for Firm Cancellation – Do not wish to renew:

Betler & Flynn Certified Public Accountants PLLC 2693-L	MHK Accounting PLLC 2771-L
Partner: Scott Betler 10160-R	Partner: Joe Morton 2496-E

Mindy N Jones CPA PC 2462-C
Partner: Mindy Jones 9056-E

Premium Accounting PLLC 2615-L
Partner: Stacy Rendell 12457-E

Effective Accounting Solutions LLC 2933-L
Partner: Jared W. Van Arsdale 14943-E

- e. Recommended for Cancellation of Certificate per registrant's request not to renew:
John H. Russon 13888-R Dennis E. Landauer 1533-E
Joseph A. Scheidler 14700-R Dwight A. Ochocki 2255-E
- f. Recommended for Reissuance of Certificate because of Name Change:
Glenn A. Gunsolley (Glenn Michael Alan) 8896-R
Sami Kristina Rocha (Raynes-Houseknecht) 13173-R
Renee Juillard (Reich) 13905-E
Susan Mitchell Scott (Mitchell) 6530-E
- g. Recommended for Reactivation of Certificate from Inactive Status - A.R.S. §32-730(E):
Jackie K. York 12372-E
- h. Recommendation of the Certification Committee for approval of Certification by
Examination - A.R.S. §32-721:

Dustin Beeker	Matthew Bisbee
Susan A. Brown	Keeley K. Dayton
Scott Dunlavy	Jacob Findlay
Doris Fung	Deanna L. Hapken
Greg Karnos	Jeffrey Jones
Stephen Bradley Ledbetter	Jason C. Mackey
Lance R. Monahan	Phillip More
Mark J. Walenga	
- i. Recommendation of the Certification Committee for approval of Certification by
Reciprocity - A.R.S. § 32-724:
Mark Yoshihiro Kawauchi – Calif. Theresa Lynette Kenny – Colorado
- j. Recommendation of the Certification Committee for approval of Certification by
Reciprocity based on Substantial Equivalency - A.R.S. § 32-726(B):

Tricia L. Anderson – Illinois	Susan Berger – Illinois
Dan T. Chisholm – Oregon	James D. Clemens – Georgia
Joseph T. Connelly – Michigan	Robert J. Eckholt – Missouri
Thomas J. Goodfellow – Maryland	Robert W. Milvet, Jr. - West Virginia
Paul M. Ramos – Illinois	Lisa A. Ricci – Washington

- Maria G. Ward – Illinois Mary Ann Wood - Virginia
- k. Recommendation of the Certification Committee for approval of Certification by
Grade Transfer - A.R.S. § 32-721:
John Gyuwon Cho – Iowa Cecilia Peret - Michigan
- l. Recommendation of the Certification Committee for approval of Examination
Candidates for the Uniform CPA Exam - A.R.S. § 32-723:
- | | |
|------------------------------|------------------------------|
| Conan Merle Bardwell | Alice M. Asunsolo |
| Jonathan Mark Bickerton | Marla Kay Barefield |
| Dylan Michael Brown | Nancy Bentzien Bowman |
| Kristi Velvet Calderwood | Emily S. Buckwalter |
| Jon William Chandler | Richard Blake Carlson |
| Heather Ann Eichacker | Ling Yin Chu |
| James Patrick Garry | Solomon Seyoum Haileselassie |
| Bret D. Harrison | Christopher Kim Hess |
| Margaret Channing Horton | April Rene Hryshko |
| Beibei Huang | Ying-chi Huang |
| Nathan W. Hubbard | Colleen Lillo |
| Simon Joel Cerbolles Leaning | Elyse D. Matich |
| Christopher M. Mahon | Andriana Mavidis |
| Patricia Joanna Matusiak | Ryan Dennis Moore |
| Mitchell Ronald McCroskey | Brandee Marie Peters |
| Cody Garrett Mueller | Stephanie Rodeffer |
| Heather Mary Rand-Meeks | John Frederick Saari, Jr. |
| Rebecca Ann Roesler | Jennifer B. Schultze |
| Christopher Adam Schulman | Cayla Shalay Shearer |
| Liam Kelly Shaw | Amy Jeanene Spencer |
| Ronald Paul Sirard | Nancy Ann Stryker |
| Marianne Nicole Sorensen | Joseph Matthew Wier |
| Nicole Marie Stewart | Ha Thuy Vuong |
| Robert Arsen Zarookian | |

m. Approval of Candidates who have passed the Uniform CPA Examination:

Travis James Alexander	Archana P. Aliyar
Lee Adams Baldwin	Michael Dean Barnum
Kimberly Sarah Barrash	Angela C. Craig
Laura Lyn Bernstein	Matthew H. Dodson
Susan Ann Brown	Jared Alan Eutsler
Brandon Glen Curtis	Jaime Leigh Gallick
Christopher John Eippert	Gregory Nathan Gunn
Tabitha Loria Fox	Tyler Grant Johansen
Reshmy Susan George	Tyler Grant Jones
Brian Thomas Groark	Vandana Mathur Kapur
Brian Patrick Harrelson	Ashlee Brook Hyde
Florence Jones	Rajeswari D.V.R. Kanduri
Arvinder Kaur	Peter J. Martinez
David P. Meyer	Laura Beth Miller
Steven Donald Mineer	Nicholas Wesley Yee
Lisa Diane Morse	Shayne R. Neuwirth
Suddhida Ubolfu Omeara	Jessica Lynn Perkins
Karina Rivera	Gregory Scott Robinson
Jessi L. Schaub	Sarah F. Syme
Mark Joseph Walenga	Angela Nicole Wasserzug
Kelly Renee Weidner	Richard E. Weisenberg

n. Recommendation of the Peer Review Oversight Advisory Committee for approval of the following firms in compliance with A.A.C. R4-1-454:

Boaz, Laurie M., CPA 5109-S	Braun PC 714-C
Bunge, Janette A CPA PLLC 2464-L	Jenkins, Roger G. CPA 4487-S
Newman, Gene CPA 5828-S	Peer, Christopher CPA PC 2433-C
Sperry Professional Corp 1051-C	Sprowls & Company PC 2283-C
Nancy J. Teff CPA PC 2284-C	

A motion was made by Samuel L. Fogleman, seconded by Marianne E. DeVries and passed to approve the following consent agenda items:

l. Recommendation of the Certification Committee for approval of Examination Candidates for the Uniform CPA Exam - A.R.S. § 32-723:

Monica Alvarez

m. Approval of Candidates who have passed the Uniform CPA Examination:

Colleen Mary Morrison Belford
Amy Leigh Bond
Adam R. Hoyt
Ian Lewis
Seth Conroy Wilks

Debbi Fitzgerald declared conflicts and did not vote.

A motion was made by Marianne E. DeVries, seconded by Gary W. Fleming and passed to approve the following consent agenda items:

- h. Recommendation of the Certification Committee for approval of Certification by Examination - A.R.S. §32-721:
Eric C. Stoltz
- i. Recommendation of the Certification Committee for approval of Examination Candidates for the Uniform CPA Exam - A.R.S. § 32-723:
Juliane Marie Jedick
Nicholas Anthony Skaff, Jr.
- m. Approval of Candidates who have passed the Uniform CPA Examination:
Gregory Peter Goldsand

Samuel L. Fogleman declared conflicts and did not vote.

A motion was made by Marianne E. DeVries, seconded by Samuel L. Fogleman and passed to approve the following consent agenda items:

- h. Recommendation of the Certification Committee for approval of Certification by Examination - A.R.S. §32-721:
Katie L. Jackson
- i. Recommendation of the Certification Committee for approval of Examination Candidates for the Uniform CPA Exam - A.R.S. § 32-723:
Justin Thomas Feiereisel

Gary W. Fleming declared conflicts and did not vote.

REVIEW, DISCUSSION, AND LEGAL ACTION ON ISSUES FROM AND REGARDING THE NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY (NASBA)

Board to discuss the its communications and interactions with NASBA, including the possible appointment of a communications officer

A motion was made by Samuel L. Fogleman, seconded by Marianne E. DeVries and passed to appoint the Executive Director as the communications officer between NASBA and the Board.

Annual Meeting, October 26 – October 29, 2008, Boston, Massachusetts
Consideration of approval for Executive Director, Board members and Assistant Attorneys General attendance and travel to the meeting

A motion was made by Samuel L. Fogleman, seconded by Gary W. Fleming and passed to approve travel to NASBA's annual meeting in Boston, Massachusetts for the Executive Director, two Board members and one Assistant Attorney General.

International Regulators Forum, October 28 – 30, 2008, Boston, Massachusetts
Consideration of approval for Executive Director, Board members and Assistant
Attorneys General attendance and travel to the meeting

A motion was made by Samuel L. Fogleman, seconded by Gary W. Fleming and passed to direct staff to obtain a detailed agenda of the International Regulators Forum and defer a vote on approving attendance until the September Board meeting.

REVIEW, DISCUSSION, AND LEGAL ACTION ON POTENTIAL RULE AND STATUTORY CHANGES

The Board reviewed the statutes and rules, directed staff to complete an analysis of whether there is any impact to the statutes or rules, requiring changes, as a result of the new legislation staggering terms and implementing mobility, and as a result of the Law Review Committee's review of the independence issue, and place it on the October agenda for the Board's review.

EXECUTIVE DIRECTOR'S REPORT

Monica L. Petersen, Executive Director, presented a draft strategic plan to the Board. The Board discussed the draft strategic plan and requested a timeframe of completion of the projects.

The Board took a break from 3:04 p.m. to 3:16 p.m. (*Debbi Fitzgerald rejoined the meeting at 3:19 p.m.*)

Monica L. Petersen, Executive Director, presented a budget to the Board. The Board reviewed and discussed the budget with Ms. Petersen.

A motion was made by James E. May, seconded by Marianne E. DeVries and passed to approve the budget presented.

A motion was made by Samuel L. Fogleman, seconded by James E. May and passed to update last year's strategic plan with the new issues presented by the Executive Director.

REVIEW, DISCUSSION AND LEGAL ACTION ON THE 2009 MASTER MEETING SCHEDULE

The Board reviewed and discussed the calendar for 2009.

A motion was made by Samuel L. Fogleman, seconded by Marianne E. DeVries and passed to approve the 2009 calendar as presented.

REQUEST FOR WAIVER OF THE 30-DAY CPE PRE-APPROVAL REQUIREMENT IN CONSENT ORDER

File No. 2008.037; Sarager, Andrew C.

A motion was made by Marianne E. DeVries, seconded by Gary W. Fleming and passed to approve the registrant's request for a waiver of the 30-day CPE pre-approval requirement in his consent order.

Debbi Fitzgerald declared a conflict and did not vote.

REVIEW, DISCUSSION, AND LEGAL ACTION ON RECOMMENDATION OF TAX PRACTICE COMMITTEE

The Committee recommended that the Board approve the following individual for another 5 year term with the Committee:
Sharon F. Erickson 5934-E

A motion was made Samuel L. Fogleman, seconded by James E. May and passed to approve Sharon F. Erickson for another 5 year term on the Tax Practice Committee.

REVIEW, DISCUSSION AND LEGAL ACTION ON THE BOARD'S STATUTORY LICENSING FEE CAP

The Board discussed the licensing fee cap and directed Board staff to gather data from other State Board's fees and defer action until a future meeting.

The Board recessed for the day at 4:00 p.m.

The reconvened at 8:34 a.m. on Friday, August 15, 2008.

ADVISORY COMMITTEE CHAIR REPORTS AND DISCUSSION WITH BOARD

Andy D. Coumides, CPA, Chairperson of the Accounting and Auditing Standards Committee updated the Board on the activities of the Committee. Mr. Coumides also discussed with the Board the remand of files to the Committee and how the Committee may avoid receiving files back from the Board. The Board discussed with Mr. Coumides, Monica Petersen, Executive Director and Daniel Christl, Assistant Attorney General having more detail provided in the Board's packets.

Michael P. O'Malley, CPA, Member of the Tax Practice Committee updated the Board on the activities of the Committee. Mr. O'Malley also discussed with the Board the need to fill vacancies on the Committee. The Board discussed with Mr. O'Malley the receipt of CPE credit for membership on the Committee and discussed researching for ways to grant CPE credit for their membership. The Board directed staff to forward the research to the Law Review Committee for further review. The Board also discussed with Mr. O'Malley the same detail request discussed with Mr. Coumides. The Board discussed the Committee concerns with the IRS penalties and whether or not to have the Law Review Committee review the laws regarding taxpayer records.

Darlene A. Richardson, CPA, Chairperson of the Continuing Professional Education Committee updated the Board on the activities of the Committee. The Board discussed with Ms. Richardson the continuing professional education rule changes. Ms. Richardson thanked Jim Dubé, Deputy Director and his staff for their dedication to the Committee. Ms. Richardson also wanted to recognize William A. Persyn, CPA for his years of service with the Committee

The Board took a break from 9:53 a.m. to 10:07 a.m. (*Samuel L. Fogleman rejoined the meeting at 10:15 a.m.*)

Nancy Maurer, Member of the Certification Committee updated the Board on the activities of the Committee. Ms. Maurer discussed the review process of the Committee. Ms. Maurer wanted to publicly thank Valerie M. Elliott, previous Executive Director, Jim Dubé, Deputy Director and his staff, Seth T. Hargraves, Assistant Attorney General for their dedication with the Committee and welcomed Monica L. Petersen, Executive Director. Ms. Maurer

Julie P. Cauich, CPA, Member of the Peer Review Oversight Committee updated the Board on the activities of the Committee. Ms. Cauich discussed the Committee's review process and stated that the Committee diligently reviews the firm files to make sure that each firm performs the appropriate peer review. The Board discussed with Ms. Cauich and Cindie Hubiak, President and CEO, Arizona State Society of Certified Public Accountants to co-author a bulletin regarding the Committee's consistent findings and how firms may avoid adverse peer review reports.

James M. Susa, CPA, Chairperson of the Law Review Advisory Committee updated the Board on the activities of the Committee. Mr. Susa discussed the committee's research on the independence rule and requested specific, clear and concise direction from the Board. The Board discussed with Mr. Susa incorporating the AICPA's rule with the Arizona rules regarding independence. The Board also discussed with Mr. Susa some Board directives for the Committee to research and provide recommendations on Committee membership compensation, CPE credit for investigative committees and the Arizona Department of Revenue regulations regarding the receipt of confidential records. The Board discussed having the Committee review the IRS penalties and discuss whether or not to amend the registration renewal requesting if the registrants have been penalized by the IRS. After the discussion, no motion was made.

SUMMARY OF CURRENT EVENTS

None

DISCUSSION OF ITEMS TO BE PLACED ON FUTURE MEETING AGENDA

The following items were discussed:

- 1) A detailed agenda for the International Regulators Conference in Boston, Massachusetts
- 2) Strategic plan timelines
- 3) Request for proposal for investigative reviewers
- 4) Staff analysis regarding statutes and rules regarding mobility, staggered terms, independence
- 5) Develop a task force to review rules on independence
- 6) ADOR regulations regarding the receipt of confidential records
- 7) Updated list of Committee members, their years of service and place of employment and a updated organization chart with duties

RECOGNITION OF RECIPIENT OF 15,000TH CERTIFICATE AND BOARD STAFF

Marianne E. DeVries and Cindie Hubiak presented Monica Mares her Arizona CPA certificate and recognized the milestone as her being the 15,000th Arizona CPA certificate holder.

Patrick J. Ramirez and Monica L. Petersen recognized the following individuals and presented them with an award for their years of service and dedication to the Board:

Liz Choukalas

Theresa D'Alessandro

Mary Ramoz

Kathy Stone

RECOGNITION OF SERVICE

Patrick J. Ramirez presented the following individuals with an award for their years of service and dedication with the Board:

Earl R. Shivers, CPA..... Board, 2003 – 2008

Travis Shivers was present to accept the award on behalf of his father.

Marianne E. DeVries, CPA Board President, 2007 – 2008

William A. Persyn, CPA CPE Committee, 2001 – 2008

Darlene A. Richardson, CPA, Chairperson of the Continuing Professional Education Committee was present to accept the award on behalf of Mr. Persyn.

Ronald Davidson, PhD..... Certification Advisory Committee, 1998 – 2008

ADJOURNMENT

Due to a lack of a quorum, the meeting adjourned at 12:45 p.m.

Patrick J. Ramirez, President

Debbi Fitzgerald, CPA, Treasurer

Marianne E. DeVries, CPA, Member

Samuel L. Fogleman, CPA, Secretary

Gary W. Fleming, CPA, Member

James E. May, Member